



October 2005 Finance Report

Information Technology Investment Board Finance and Audit Committee Meeting October 13, 2005

This Finance Report covers the following topics:

- Fiscal Year 2005 Financial Results
- FY 2005 Re-Appropriation Request
- FY 2006 Operating Budget Update
- Investment Management and Security Management Rates
- Information Technology Benefits Update
- 2006 - 2008 Biennial Budget and Schedule

Fiscal Year 2005 Financial Results

FY 2005 Financial Results All Funds

	<i>FY 2005 Final Budget</i>	<i>FY 2005 Actual Results</i>	<i>Actual as a Percent of Final Budget</i>
Operating Revenues, including transfers in	\$263,520,186	\$254,722,275	97%
Expenses, including transfers out	<u>267,286,832</u>	<u>248,562,302</u>	93%
Net Change	(3,766,646)	6,159,973	
Retained Earnings, July 1	<u>45,267,229</u>	<u>45,267,229</u>	
Ending Retained Earnings	<u>\$41,500,583</u>	<u>\$51,427,202</u>	

VITA closed its fiscal year on June 30, 2005. For all funds, the year ended with a positive net change of \$6.2M. This was higher than anticipated due to continued improvement in Enterprise Fund revenues as well as improvement in VITA's Special Funds. As reported in previous reports, revenues and expenses were below projections due to Internal Service Fund activity. Final cash balances were approximately \$17 million on June 30.

FY 2005 Financial Results Internal Services Fund

	<i>FY2005 Final Budget</i>	<i>FY 2005 Actual Results</i>	<i>Actual as a Percent of Final Budget</i>
Operating Revenues, including transfers in	\$212,873,100	\$198,690,720	93%
Expenses, including transfers out	<u>210,904,274</u>	<u>196,901,940</u>	93%
Net Change	1,968,826	1,788,780	
Retained Earnings, July 1	<u>27,788,000</u>	<u>27,788,000</u>	
Ending Retained Earnings	<u>\$29,756,826</u>	<u>\$29,576,780</u>	

Throughout Fiscal Year 2005, revenues and expenses lagged projections primarily because the spending pace associated with transitioned agencies was not as robust as expected. While there was significant activity in May and June, it was not enough to overcome the lag that had occurred all year.

The percentage of payments in compliance with the Prompt Pay Act for the fiscal year was 97.2%.

FY 2005 Financial Results Enterprise Funds

	<i>FY2005 Final Budget</i>	<i>FY 2005 Actual Results</i>	<i>Actual as a Percent of Final Budget</i>
Operating Revenues, including transfers in	\$40,200,000	\$46,117,098	115%
Expenses, including transfers out	<u>43,159,000</u>	<u>40,078,387</u>	93%
Net Change	(2,959,000)	6,038,711	
Retained Earnings, July 1	<u>14,403,865</u>	<u>14,403,865</u>	
Ending Retained Earnings	<u>\$11,444,865</u>	<u>\$20,442,576</u>	

VITA's Enterprise Funds are comprised of the portal access program and E-911. After payments to state agencies of \$31 million, \$5.7 million in revenues for the portal access program was expensed for contractor payments and VITA operations. Additionally, \$902,000 in revenues was used as payment for the transfer to the General Fund (required by the Appropriation Act, Item 3-1.01Q1). The Virginia Wireless E-911 Services fund shows \$39 million in revenue, exceeding projections, with \$30 million of that amount paid to providers and \$2.1 million expensed for project management and other operating costs. Additionally, \$1 million in revenues was used as payment for the transfer to the General Fund (required by the Appropriation Act, Item 3-1.01Q1).

FY 2005 Financial Results General Fund

	<i>FY2005 Final Budget</i>	<i>FY 2005 Actual Results</i>	<i>Actual as a Percent of Final Budget</i>
Operating Revenues, including transfers in	\$7,838,414	\$6,988,457	89%
Expenses, including transfers out	<u>7,838,414</u>	<u>6,988,457</u>	89%
Net Change	0	0	
Retained Earnings, July 1	<u>0</u>	<u>0</u>	
Ending Retained Earnings	<u>\$0</u>	<u>\$0</u>	

In Fiscal Year 2005, funds provided through the Commonwealth's General Fund were earmarked to support VITA's Strategic Management Services directorate (\$1.7 million) and VITA start-up activity (\$6.1 million).

VITA spent all but \$850,000 of the start-up funds due to prolonged General Assembly and gubernatorial actions that delayed spending on key projects. VITA has requested these funds be re-appropriated for use in Fiscal Year 2006, as described in further detail below.

FY 2005 Financial Results Special Revenue Funds

	<i>FY2005 Final Budget</i>	<i>FY 2005 Actual Results</i>	<i>Actual as a Percent of Final Budget</i>
Operating Revenues, including transfers in	\$2,422,049	\$2,739,377	113%
Expenses, including transfers out	<u>3,205,450</u>	<u>2,655,948</u>	83%
Net Change	(783,401)	83,429	
Retained Earnings, July 1	<u>1,082,293</u>	<u>1,082,293</u>	
Ending Retained Earnings	<u>\$298,892</u>	<u>\$1,165,722</u>	

Components of the Special Revenue Funds include the Industrial Funding Adjustment (IFA), PPEA, GIS, and Virginia Technology Infrastructure funds. VITA ended Fiscal Year 2005 with improvements in this account primarily due to increased IFA revenues and decreased PPEA expenses.

FY 2005 Financial Results Federal Funds

	<i>FY2005 Final Budget</i>	<i>FY 2005 Actual Results</i>	<i>Actual as a Percent of Final Budget</i>
Operating Revenues, including transfers in	\$186,623	\$186,623	100%
Expenses, including transfers out	<u>2,179,694</u>	<u>1,937,570</u>	89%
Net Change	(1,993,071)	(1,750,947)	
Retained Earnings, July 1	<u>1,993,071</u>	<u>1,993,071</u>	
Ending Retained Earnings	\$0	\$242,124	

VITA utilized its federal grant funded activities as planned with a small residual balance. That balance expired on July 31, 2005.

The following financial statements as of June 30, 2005 are provided at the end of this report:

- Combined Balance Sheet for Internal Service Funds—Exhibit A
- Combined Statement of Revenues, Expenses, and Changes in Net Assets for Internal Service Funds—Exhibit B
- Combined Statement of Cash Flows for Internal Service Funds—Exhibit C
- Combined Statement of Revenues, Expenses, and Changes in Net Assets for Enterprise Funds—Exhibit D
- Combined Statement of Revenues, Expenses and Changes in Net Assets for General and Special Revenue Funds—Exhibit E

FY 2005 Re-Appropriation Request

VITA submitted a re-appropriation request to the Department of Planning and Budget in September 2005, requesting that the Fiscal Year 2005 balance of \$850,000 be re-appropriated to VITA for use in Fiscal Year 2006. The funding request will support the portfolio management of the state's major IT projects and is in concert with decision packages submitted for Fiscal Year 2006. This balance will allow VITA to proceed with its portfolio management initiative while awaiting approval of its investment management rates (described below.) A decision on this request is not anticipated before late 2005.

Fiscal Year 2006 Operating Budget Update

FY 2006 Budget All Funds

	<i>FY2006 Budget Approved June 2005</i>	<i>FY2006 Budget Adjusted October 2005</i>
Operating Revenues, including transfers in	\$249,176,912	\$295,689,670
Expenses, including transfers out	<u>248,458,356</u>	<u>293,441,282</u>
Net Change	718,556	2,248,388
Retained Earnings, July 1	<u>41,500,583</u>	<u>51,427,204</u>
Ending Retained Earnings	<u>\$42,219,139</u>	<u>\$53,675,592</u>

VITA's fiscal year 2006 operating budget has been revised to reflect final year-end activity with the most adjustments occurring in the Internal Service Funds account. Actual activity will be reported in December for the first quarter of the fiscal year.

FY 2006 Budget Internal Service Funds

	<i>FY2006 Budget Approved June 2005</i>	<i>FY2006 Budget Adjusted October 2005</i>
Operating Revenues, including transfers in	\$202,756,029	\$248,968,827
Expenses, including transfers out	<u>201,611,740</u>	<u>246,567,038</u>
Net Change	1,144,289	2,401,789
Retained Earnings, July 1	<u>29,756,826</u>	<u>29,576,780</u>
Ending Retained Earnings	<u>\$30,901,115</u>	<u>\$31,978,569</u>

The adjusted budget for the Internal Service Funds has been revised based on final year-end spending data and updated agency customer projections. Although the previous projections included an allowance for increased spending in the final two months of the fiscal year, the actual spending exceeded expectations. May and June spending was 100% and 174% over April spending, respectively. Final revenues also exceeded expectations, increasing 77% and 117% in May and June, respectively, over April performance. A review

of agency spending plans also led to significant revisions to the original projections prepared in May and approved by the Board in June 2005.

FY 2006 Budget Enterprise Funds

	<i>FY2006 Budget Approved June 2005</i>	<i>FY2006 Budget Adjusted October 2005</i>
Operating Revenues, including transfers in	\$39,005,696	\$39,005,696
Expenses, including transfers out	\$39,005,696	\$39,005,696
Net Change	0	0
Retained Earnings, July 1	<u>11,444,865</u>	<u>20,442,577</u>
Ending Retained Earnings	<u>\$11,444,865</u>	<u>\$20,442,577</u>

There are no changes in the estimates of revenue or expense, but retained earnings have been updated to reflect final year-end activity.

FY 2006 Budget General Fund

	<i>FY2006 Budget Approved June 2005</i>	<i>FY2006 Budget Adjusted October 2005</i>
Operating Revenues, including transfers in	\$2,885,187	\$2,885,187
Expenses, including transfers out	\$2,885,187	\$2,885,187
Net Change	0	0
Retained Earnings, July 1	<u>0</u>	<u>0</u>
Ending Retained Earnings	<u>\$0</u>	<u>\$0</u>

There are no changes in the estimates for General Fund activity.

FY 2006 Budget Special Revenue Funds

	<i>FY2006 Budget Approved June 2005</i>	<i>FY2006 Budget Adjusted October 2005</i>
Operating Revenues, including transfers in	\$3,580,000	\$3,880,000
Expenses, including transfers out	<u>3,733,401</u>	<u>4,033,401</u>
Net Change	(153,401)	(153,401)
Retained Earnings, July 1	<u>298,892</u>	<u>1,165,722</u>
Ending Retained Earnings	<u>\$145,491</u>	<u>\$1,012,321</u>

The Special Revenue Funds account includes adjustments for Industrial Funding Adjustment (IFA) activity that was higher than expected based on the year-end spending activity described in the Internal Service Funds section above. All other Special Fund accounts remain the same.

FY 2006 Budget Federal Funds

	<i>FY2006 Budget Approved June 2005</i>	<i>FY2006 Budget Adjusted October 2005</i>
Operating Revenues, including transfers in	\$950,000	\$950,000
Expenses, including transfers out	<u>1,222,332</u>	<u>1,192,125</u>
Net Change	(272,332)	(242,125)
Retained Earnings, July 1	<u>0</u>	<u>242,125</u>
Ending Retained Earnings	<u>\$272,332</u>	<u>\$0</u>

The previously approved Federal Funds budget was adjusted to reflect final year-end activity.

Investment Management and Security Management Rates

In the August Finance report, the establishment of rates for unfunded Code mandates for project management and IT security was discussed. These rates, if approved by the Board, will be provided to JLARC for approval at its December 2005 meeting for implementation in January 2006. The impact on VITA customers has been provided to the Department of Planning and Budget for consideration in the Governor's Fiscal Year 2006 – 2008 biennial budget.

The two rate categories are discussed below.

Investment management: \$1.7M total

- Based upon Project Management work distribution
- Provides for agency oversight services including APRs, major IT project support/approvals/oversight/reporting and PM development program training
- Additionally provides for governance and enterprise programs including IT portfolio management, policies/standards/guidelines, IT strategic planning support
- Six different fees levels correspond to agency and higher education institution size

		Annual		Monthly
Small Agency IM Fee	\$	4,153	\$	346
Medium Agency IM Fee	\$	16,234	\$	1,353
Large Agency IM Fee	\$	52,669	\$	4,389
Small Higher Ed IM Fee	\$	5,368	\$	447
Medium Higher Ed IM Fee	\$	23,157	\$	1,930
Large Higher Ed IM Fee	\$	4,511	\$	376

Security management: \$3.5M total

- Recovered on a per-seat basis at \$4.31 per seat, per month
- Provides for security incident management, security policy, security training and awareness and risk management

The following motion is recommended:

VOTED, that the ITIB Finance and Audit Committee approves the proposed Investment Management and Security Management rates for submission to the ITIB for approval at its October 18, 2005 meeting, and subsequent submission to JLARC.

Information Technology Benefits Update

Infrastructure IT initiatives are projected to produce significant financial benefits (both cost savings and cost avoidances) to the Commonwealth and to customer localities. A detailed report was provided to the Executive Branch agencies and the Governor's Cabinet in September 2005. It was posted on our website as well and can be viewed at <http://www.vita.virginia.gov/docs/misc/transformationBenefitsNarrative.doc>. A revised report is provided in Table A below based on final year-end adjustments for the Virginia Partners in Procurement initiative.

During fiscal year 2005, VITA and its partners initiated 19 longer-term projects to reduce costs and/or to improve services. These projects included telecommunications contract enhancements, negotiated contract cost reductions, and improved platform and mainframe services. VITA also launched seven "Quick Win" short term initiatives during the fiscal year. Examples of major Quick Win projects include local phone service consolidation, small server consolidation, and improved Data Center operations.

TableA
IT Financial Benefits/Savings (\$000)

	FY04 Actual	FY05 Actual	FY06 Projection	FY04-06 Cumulative
Savings	\$15,858	\$29,544	\$26,000	\$71,402
Avoidance	875	13,455	17,395	\$31,725
Total	\$16,733	\$42,999	\$43,395	\$103,127

VITA has new initiatives, such as contract license consolidation (including anti-virus), that will yield additional savings in FY 2006.

2006 - 2008 Biennial Budget and Schedule

The Commonwealth is developing its 2006 – 2008 biennial budget. The Department of Planning and Budget requested agencies submit budget requests for these fiscal years in September. ITIB members were provided a summary of the CIO's proposed 2006 – 2008 Decision Packages on September 28, 2005. These decision packages, with minor revisions to priority 1, are shown below:

Priority	Item	Amounts Requested
1	Restoration of General Fund reductions for IT savings and associated elimination of language transferring customer agency nongeneral fund savings to the State Treasury. <i>These reductions were incorporated in the FY 2006 appropriation; this requests restoration of those reductions. Though VITA's general fund is replenished from customer agency savings, this action is inconsistent with the Commonwealth's IT transformation objectives; it creates significant cash flow problems in VITA as well.</i>	General Fund: \$1.644M in FY 2007 and FY 2008
2	Fund completion of the Virginia Base Mapping Program update. <i>This one-time only request continues this initiative that was also supported in the 2005 General Assembly session.</i>	General Fund: \$3.9M in FY 2007
3	Line of credit language to protect against cash flow shortfalls. <i>This language requests a line of credit not to exceed \$10M to provide operating cash when needed due to volatile cash flows; VITA had to request cash at the end of FY 2005 to cover projected cash shortfalls as a result of the timing of cash receipts.</i>	Language only
4	Fund completion of the Virginia Base Mapping Program update and E-911 address file maintenance, as endorsed by the E-911 board (links to priority 2). <i>This request is the non-general fund corollary to priority item 2 and provides for on-going operating costs of this program.</i>	Non-General Fund: \$0.3M and three positions in FY 2007 and FY 2008
5	Fund Wireless E-911 programs as endorsed by the E-911 board (administrative adjustments for projected revenues). <i>This request updates revenue and expense projections for this program to cover subscriber growth and cost increases, as required by DPB.</i>	Non-General Fund: \$7.5M in FY 2007, \$8.5M in FY 2008 and three positions in each year

Priority	Item	Amounts Requested
6	Eliminate redundant language requiring the Wireless E-911 Board to submit annual status reports. <i>This request will delete Appropriation Act language that was only required in the first year of the Board's existence; the reporting requirement is specified in the Code so the duplication in the Act is not necessary.</i>	Language only
7	Broadened authority for local governments and others to purchase from VITA. <i>This item inserts appropriation language so that political subdivisions and local school divisions are authorized to purchase computer, desktop, server, and network services from the Virginia Information Technologies Agency and its partners, if such purchases are not prohibited by the terms and conditions of contracts for such services. It also clarifies telecommunications services that may be purchased from VITA and its partners.</i>	Language only
8	Vendor Payments During Dispute Resolution. <i>In the event of a contractual dispute related to payments between an agency and a vendor partnered under the Public-Private Education and Infrastructure Act (PPEA), this item authorizes the State Comptroller to set aside, on the books of the Commonwealth, any disputed payments until resolved.</i>	Language only

The Department of Planning and Budget is working with VITA on its submission in order to complete the Governor's 2006 – 2008 biennial budget that will be submitted to the General Assembly on December 16, 2005. DPB has requested that an additional decision package be submitted to negate the fiscal year 2006 E-911 fund transfer of \$1 million to the general fund and to eliminate the transfer of \$3.7M annually from the E-911 fund to the Virginia State Police.

Exhibit A
Virginia Information Technologies Agency
Combining Balance Sheet
Internal Service Funds
For the Period Ended: June 30, 2005

	Totals
	2005
Assets	
Current Assets:	
Cash with Treasurer of Virginia	\$ 17,007,933.82
Petty Cash and Travel Advances	8,000.00
Accounts Receivable	23,199,934.52
Due From Other Funds	-
Due from Commonwealth of Virginia	-
Prepaid Expenses	4,002,865.65
Total Current Assets	44,218,733.99
Noncurrent Assets	
Depreciable Capital Assets, Net	44,651,038.41
Total Assets	\$ 88,869,772.40
Liabilities	
Current Liabilities:	
Accounts payable	\$ 14,296,334.55
Interest Payable	-
Due to Other Funds	-
Due to Other Agencies	-
Notes Payable	6,275,823.25
Advances from Treasurer of Virginia	-
Accrued Compensated Absences	4,066,150.75
Deferred Contract Revenue	-
Other Deferred Revenue	26,773,596.00
Due to Federal Government	514,073.00
Other Liabilities	-
Total Current Liabilities	51,925,977.55
Noncurrent Liabilities:	
Notes Payable	3,818,187.32
Accrued Compensated Absences	3,548,827.62
Deferred Contract Revenue	-
Total Noncurrent Liabilities	7,367,014.94
Total Liabilities	59,292,992.49
Net Assets	
Investment in Capital Assets, Net of Related Debt	36,164,497.39
Unrestricted	(6,587,717.48)
Total Net Assets	29,576,779.91
Total Liabilities and Net Assets	\$ 88,869,772.40

Exhibit B
Virginia Information Technologies Agency
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Internal Service Funds
For the Period Ended: June 30, 2005

	<u>Totals</u>
	<u>2005</u>
Operating Revenues	
Charges for Services	\$ 198,606,055.20
Total Operating Revenues	<u>198,606,055.20</u>
Operating Expenses	
Personal Expenses	70,089,024.47
Contractual Services	81,094,925.46
Supplies and Materials	992,628.27
Educational Assistance and Transfer Payments	7,866.75
Rent, Insurance & Other Related Charges	9,824,896.55
Depreciation	8,715,499.99
Expendable Equipment/Improvements	<u>25,504,950.18</u>
Total Operating Expenses	<u>196,229,791.67</u>
Operating Income (Loss)	<u>2,376,263.53</u>
Nonoperating Revenues(Expenses)	
Interest	(342,874.47)
Depreciation	(83,566.50)
Reimbursement to Federal Government	(202,120.00)
Revenue from the Sale of Recyclable Materials	1,097.93
Realized Gain -- Assets	83,566.90
Proceed from Insurance Recoveries	-
Sale of Surplus Property	-
Loss on Fixed Asset Disposal	<u>-</u>
Total Nonoperating Expenses	<u>(543,896.14)</u>
Income (Loss) Before Transfers	<u>1,832,367.39</u>
Transfers	
Transfers from Other Funds	-
Transfers to the General Fund of the Commonwealth	(43,587.01)
Transfers from the General Fund of the Commonwealth	<u>-</u>
Total Transfers	<u>(43,587.01)</u>
Increase (Decrease) in Net Assets	1,788,780.38
Total Net Assets, July 1	<u>27,787,999.53</u>
Total Net Assets, June 30	<u><u>\$ 29,576,779.91</u></u>

Exhibit C
Combined Statement of Cash Flows
Proprietary Fund Types
For the Fiscal Year Ended June 30, 2005

	Totals	
	For the Year Ended June 30,	
	2005	2004
Cash Flows from Operating Activities		
Receipts for Sales and Services	\$ 5,559,724	\$ 8,003,842
Internal Activity - Receipts from Other Funds	189,270,506	108,600,148
Internal Activity - Payments to Other Funds	(1,099,863)	(2,072,960)
Payments to Suppliers for Goods and Services	(36,999,245)	(5,854,670)
Payments for Contractual Services	(79,583,628)	(65,550,537)
Cash Payments to Employees for Services	(65,205,109)	(29,394,213)
Other	1,098	10,564
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	11,943,483	13,742,174
	<hr/>	<hr/>
Cash Flows from Noncapital Financing Activities		
Cash Transferred From Other Funds	-	-
Transfers In from Other Funds	-	25,220
Transfers Out to Other Funds	(43,587)	(472,983)
Other Noncapital Financing Disbursements - Payment to Fed Govt	-	-
	<hr/>	<hr/>
Net Cash Used in Noncapital Financing Activities	(43,587)	(447,763)
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Equipment	-	822,710
Proceeds from the Issuance of Notes	-	-
Acquisition of Capital Assets	(8,101,345)	(2,295,664)
Principal Paid on Notes Payable	(6,459,109)	(5,378,613)
Interest Paid on Notes Payable	(342,874)	(492,449)
	<hr/>	<hr/>
Net Cash Used in Capital and Related Financing Activities	(14,903,328)	(7,344,016)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash	(3,003,432)	5,950,395
Cash, July 1	<hr/>	<hr/>
	20,019,366	14,068,971
	<hr/>	<hr/>
Cash, June 30	<u>\$ 17,015,934</u>	<u>\$ 20,019,366</u>

Exhibit D
Virginia Information Technologies Agency
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Enterprise Funds
For the Period Ended: June 30, 2005

	Totals
	2005
Operating Revenues	
Charges for Services	\$ 45,753,752.99
Total Operating Revenues	45,753,752.99
Operating Expenses	
Payments to Virginia Interactive	5,352,208.34
Personal Expenses	401,572.95
Contractual Services	1,953,534.76
Supplies and Materials	10,089.04
Rent, Insurance & Other Related Charges	34,088.83
Depreciation	-
Expendable Equipment/Improvements	34,316.71
Non-recurring Cost Estimate Payments to Providers	30,390,576.05
Total Operating Expenses	38,176,386.68
Operating Income (Loss)	7,577,366.31
Nonoperating Revenues(Expenses)	
Interest	313,986.35
Revenue from the Sale of Recyclable Materials	-
Receipts on Behalf of Others	31,116,521.50
Payments for Receipts Collected on Behalf of Others	(31,116,521.50)
Loss on Fixed Asset Disposal	-
Total Nonoperating Expenses	313,986.35
Income (Loss) Before Transfers	7,891,352.66
Transfers	
Transfers to Other State Agencies	-
Transfers to the General Fund of the Commonwealth	(1,902,000.00)
Transfers from the General Fund of the Commonwealth	49,358.82
Total Transfers	(1,852,641.18)
Increase (Decrease) in Net Assets	6,038,711.48
Total Net Assets, July 1	14,403,865.41
Total Net Assets, June 30	\$ 20,442,576.89

Note: This statement is presented on the cash basis of accounting.

Virginia Information Technologies Agency
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Period Ended: June 30, 2005

	General Fund	Total Special Revenue Funds	Federal Funds
Revenues			
Appropriations	\$ 7,838,414.00	\$ -	\$ -
Sale of Geographic Data	-	85,748.38	-
Interest	-	15,023.54	-
Other	-	2,636,853.69	-
	<u>7,838,414.00</u>	<u>2,737,625.61</u>	<u>-</u>
Total Revenues	<u>7,838,414.00</u>	<u>2,737,625.61</u>	<u>-</u>
Expenditures			
Personal Expenses	1,835,118.29	1,873,120.25	-
Contractual Services	4,162,912.29	597,195.11	806,539.63
Supplies and Materials	7,007.25	31,643.48	1,084.42
Non-recurring Cost Estimate Payments to Providers	-	-	-
Rent, Insurance & Other Related Charges	80,547.19	25,790.28	-
Depreciation	-	-	-
Expendable Equipment/Improvements	902,872.17	113,231.72	1,129,945.57
	<u>6,988,457.19</u>	<u>2,640,980.84</u>	<u>1,937,569.62</u>
Total Expenditures	<u>6,988,457.19</u>	<u>2,640,980.84</u>	<u>1,937,569.62</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>849,956.81</u>	<u>96,644.77</u>	<u>(1,937,569.62)</u>
Other Financing Sources (Uses)			
Cash Transfers In (Pass Thru)	-	-	186,623.00
Transfers from the General Fund of the Commonwealth	-	1,750.93	-
Transfers to the General Fund of the Commonwealth	-	(14,967.00)	-
	<u>-</u>	<u>(13,216.07)</u>	<u>186,623.00</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(13,216.07)</u>	<u>186,623.00</u>
Net Change in Fund Balances	<u>849,956.81</u>	<u>83,428.70</u>	<u>(1,750,946.62)</u>
Fund Balances, July 1	<u>-</u>	<u>1,082,293.71</u>	<u>1,993,071.15</u>
Fund Balances	<u>\$ 849,956.81</u>	<u>\$ 1,165,722.41</u>	<u>\$ 242,124.53</u>

Note: This statement is presented on the cash basis of accounting.